

By TCS

No: SPLC/PSX/Progress Report /2022/0117

Dated: 05 July, 2022.

Hafiz Maqsood Munshi  
Sr. Manager  
Listed Companies Compliance Department –RAD  
Pakistan Stock Exchange Limited (PSX)  
Karachi

Subject: Progress Report for quarter ended June 30, 2022.

Dear Sir,

This refers to your letter Ref. No. PSX/Gen-1282 dated June 29, 2022 on the captioned subject.

In this connection it is submitted that during the reporting period the company could not make any substantial recovery merely a meager amount of PKR 1.295 million was recovered during the month of May 2022 despite all possible efforts due to present critical circumstances of the Company and in the backdrop of the existing scenario of the company due to cancellation of its license by the SECP and continuous threats from PSX for suspension of trading of SPLC's shares under PSX Regulations due to mandatory defaults and ultimate suspension of trading on 24.03.2022, the process of recovery despite all out efforts on part of the management and recovery team has been slower down. The debtors/ defaulters are showing very non-cooperative and cold response. Nevertheless, all possible efforts are being made by resorting to vigorously following and expediting Court proceedings as well as we are trying our level best for out of court settlement with the defaulters to reach at an amicable and reasonable compromised stage through negotiations. For out of Court settlements certain defaulters are in verbal negotiation and if the reasonable settlements could be materialized the same will be submitted for Board approval and it is expected that it might reduce the negative equity significantly.

We have been informed by our major shareholders i.e. M/S. SAPICO that the divestment plan initiated by them and searching a new investor for revival of SPLC has reached to an advanced stage of completion whereof the offer/bid submitted by the qualified bidder for the divestment of the SAPICO's stake in SPLC is under review. Soon after preliminary review, negotiations between the investor and SAPICO would commence on pricing of sale shares. Accordingly, it is expected that SPA would be signed between the parties and remaining process would be completed as required under the relevant laws and regulations. As you are also aware, the divestment process would also require clearance from Competition Commission of Pakistan and the SECP. Pursuant to that the new investor would be able to submit its Business Plan to SECP for consideration/approval inter-alia containing plan to meet MER and resolve issues with the SPLC's COI holders/creditors etc.

We had noted your kind instructions to address the remaining non-compliances at the 6th.Floor, LaksonSquareBuilding#1,Sarwar ShaheedRoad, Saddar,Karachi Ph: 021-35655181-82-83, Fax: (021) 35210609

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earliest possible, however, due to prevailing business and economic slow-downs throughout the country and even world-over in wake of ongoing economic condition which is seriously impacting the business environment in Pakistan and other developing countries, has simultaneously created yet another force majeure situation. We are trying our level best even in prevailing adverse circumstances to address the issues as highlighted by the PSX vide PSX Regulation 5.11.2(b) as early as possible.


As advised by the PSX to submit quarterly report through PUCARS by July 05, 2022, please note that due to heavy rain in the city connectivity issue is being faced because of technical issue on PUCARS and we were in touch with the concerned PSX staff Mr. Akbar Ali, Assistant Manager and his staff on PSX phone Nos. 021-32439618 and 021-35274381, as some problems were being faced on PSX website in placing the desired information at our end.

Please rest assured that we will place the same on PUCARS as soon as the problem is solved. Mean while we are sending this report to the PSX through Courier (TCS) today.

We assure you timely compliance of all the PSX Regulations with due diligence in future.

Please acknowledge receipt of this letter.

Yours Sincerely

  
Muhammad Imtiaz Ali  
Company Secretary

Copy for information to:-

The Chief Regulatory Officer- PSX, Karachi.